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BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION On) DOCKET NO.
Its Own Motion) 10-0366
)
)
Management Audit of)
Illinois-American Water Company to)
consider the costs of services)
obtained from its Service Company.)

Springfield, Illinois
Tuesday, November 22, 2011

Met, pursuant to notice, at 2:00 p.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. MICHAEL LANNON
MS. NICOLE LUCKEY
Office of General Counsel
Illinois Commerce Commission
160 North LaSalle, Suite C-800
Chicago, Illinois 60601
Ph. (312) 793-2433

(Appearing via teleconference on
behalf of Staff Witnesses of the
Illinois Commerce Commission)

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
CSR #084-002710

1 APPEARANCES: (Continued)

2 MR. ALBERT STURTEVANT
3 MS. ANNE M. ZEHR
4 CARPENTER, LIPPS & LELAND, LLP
5 180 North LaSalle Street, Suite 2640
6 Chicago, Illinois 60601
7 Ph. (312) 777-4820

8 (Appearing via teleconference on
9 behalf of Illinois-American
10 Water Company)

11 MR. JOHN J. REICHART
12 Corporate Counsel
13 Illinois-American Water Company
14 727 Craig Road
15 St. Louis, Missouri 63141

16 (Appearing via teleconference on
17 behalf of Illinois-American
18 Water Company)

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3	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
4	(None)				
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13		<u>EXHIBITS</u>			
14					
15				<u>MARKED</u>	<u>ADMITTED</u>
	(None)				
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PROCEEDINGS

JUDGE JONES: Good afternoon. I call for hearing Docket Number 10-0366. This is titled in part Illinois Commerce Commission on its own motion, management audit of Illinois-American Water Company to consider the cost of services obtained from its service company.

At this time we will take the respective appearances orally for the record. In doing so you need not restate your business address, business phone number or spell your name unless any of those things have changed, which I think in some instances they have. We will start with the appearance or appearances on behalf of Illinois-American Water Company.

MR. STURTEVANT: Good afternoon, Your Honor.

Appearing on behalf of Illinois-American Water Company, Albert Sturtevant and Anne Zehr, Carpenter, Lipps and Leland, 180 North LaSalle Street, Suite 2640, Chicago, Illinois 60601. My phone number is (312) 777-4820.

JUDGE JONES: Thank you.

1 Other appearances?

2 MR. LANNON: On behalf of Staff, Your Honor,
3 Mike Lannon and Nicole Lucky, and our street address
4 information has not changed.

5 JUDGE JONES: Thank you.

6 Are there other appearances to be
7 entered this afternoon?

8 MR. REICHART: I am sorry, Judge, yes. Also on
9 behalf of Illinois-American Water Company, John J.
10 Reichart. I believe my address and information has
11 previously been filed.

12 JUDGE JONES: Okay, thank you.

13 Are there any other appearances to be
14 entered this afternoon?

15 (No response.)

16 All right. Let the record show there
17 are not, at least at this time.

18 Is it known whether counsel for the
19 AG's office intends to participate this afternoon?

20 MR. LANNON: Your Honor, this is Mike Lannon.
21 I am guessing that she will not be participating
22 because I know she is busy writing an initial brief

1 in another rate case.

2 JUDGE JONES: All right. Thank you.

3 Well, if there is anyone from that
4 office or others join the call while the hearing is
5 still going on, they can enter their appearance at
6 that time.

7 Do the parties want some time off the
8 record to discuss future scheduling or related
9 matters?

10 MR. STURTEVANT: Well, Your Honor, this is Bert
11 Sturtevant. I believe that we have had some
12 discussions already with the other parties so I
13 believe that we are in agreement as to a scheduling
14 proposal and so I think we can probably proceed.

15 Does that sound right, Mike?

16 MR. LANNON: That's right, Bert.

17 JUDGE JONES: And by other parties you are
18 referring to whom?

19 MR. STURTEVANT: Well, I have had e-mail
20 communications with both Staff and with Ms. Satter at
21 the Attorney General's office.

22 JUDGE JONES: All right. Thank you.

1 Are you ready to put that proposal
2 forward in the record at this time?

3 MR. STURTEVANT: I am, Your Honor.

4 JUDGE JONES: All right. Please go ahead with
5 that.

6 MR. STURTEVANT: So the first item, Your Honor,
7 of three that we are proposing for the schedule is
8 really just a confirmation. The Initiating Order in
9 this proceeding stated that the final audit report
10 would be filed with the Commission no later than six
11 months from the commencement date of the audit
12 contract. It is our understanding the audit contract
13 commenced on July 11, so we wish to confirm for the
14 record that the due date in accordance with the
15 Commission's Order for the final audit report is
16 January 11.

17 The next item is to address the
18 question of scheduling the Company's response to the
19 final audit report. Paragraph 9 of the Initiating
20 Order says that IAWC shall respond to final audit
21 report through a compliance filing made in this
22 docket, and we would propose to schedule that

1 compliance filing with the response to the final
2 audit report on February 10, 2012, and then
3 subsequently set a status for further scheduling or
4 other discussions for February 15 at 10:00 a.m.,
5 assuming that is okay with Your Honor's schedule.

6 JUDGE JONES: Okay, thank you.

7 Is that Staff's understanding of how
8 that schedule is intended to work?

9 MR. LANNON: Yes, Your Honor, that is Staff's
10 understanding.

11 JUDGE JONES: All right, one moment.

12 (Pause.)

13 February 15 at 10:00 a.m. would be
14 open and available. There is a Pre-bench that
15 afternoon but 10 o'clock is okay.

16 MR. LANNON: That's fine with Staff, Your
17 Honor.

18 JUDGE JONES: Let the record show that the --
19 first off, are there any points of clarification with
20 regard to the above-referenced scheduling?

21 (No response.)

22 All right. Let the record show there

1 are not.

2 Let the record show that the
3 scheduling just proposed is hereby approved and
4 implemented.

5 Before we conclude today's status
6 hearing are there any other matters to take up?

7 MR. LANNON: Nothing from Staff, Your Honor.

8 MR. STURTEVANT: Your Honor, from the Company I
9 would just note that we filed yesterday, I believe, a
10 Motion for a Protective Order. I am assuming that
11 the parties haven't had a chance to review that yet,
12 but I just wanted to note that we had done so.

13 JUDGE JONES: Do you have any comment on that,
14 Mr. Lannon?

15 MR. LANNON: No, not at this time. Counsel is
16 correct; I haven't -- I saw it, but I haven't
17 thoroughly reviewed it. And assuming it has the
18 usual type language in it, I doubt we would have an
19 issue, but I would like to review it.

20 JUDGE JONES: Okay. Anything else regarding
21 the Motion for a Protective Order or any other items
22 before we conclude?

1 (No response.)

2 All right. Let the record show there
3 are not.

4 At this time then let the record show
5 that today's status hearing is concluded. The time
6 is approximately 2:11 p.m. Let the record show that
7 in accordance with the above this matter is continued
8 to a status hearing date at which parties may
9 participate by telephone to be held on February 15,
10 2012, at the hour of 10:00 a.m.

11 (Whereupon the hearing in this
12 matter was continued until
13 February 12, 2012, at 10:00 a.m.
14 in Springfield, Illinois.)

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